5 July 1951

MEMORANDUM FOR: Deputy Director (Plane)

PROM:

Assistant Director for Research and Reports

SUBJECT:

Points to like in Approaching

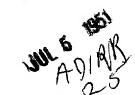
Enion Engloyees, 25X1A9a

Jobs: The job. The Office of Research and Reports has two basic

with coordinating all foreign economic intelligence relating to the national security. This means watching, criticizing, assisting, and supplementing foreign economic intelligence work of the Departments of Defense, State, Conscree, Treasury, Economic Gooperation Administration, etc., and focusing it all on national accuraty problems. This is done partly by CRAYs own staff, partly by a newly formed Economic Intelligence Committee of which the Assistant Director for Research and Reports is Chairman.

b. Conducting basic sconomic intelligence research on the capabilities, valuerabilities, and intentions of the Seviet bloc. Nobody else in Weshington does this. Until recently it has not been done at all. Coneral Smith firmly believes that it must be done and done properly, and is prepared to support this activity with whatever manpower, money, and other resources that may be necessary to do the job right.

The resources available. As of 1 July there was a staff of 575 persons on duty or on order and a table of arganisation to be filled of 857. The professional part of this staff consists principally of economists and engineers and, in the Map Division, geographers. General Smith and Mr. Jackson have said that they would make available money for external contract research in universities and research institutions to an amount up to several million dellars as required. Present relations with other intelligence and research organisations in the Government and in private institutions are close and cordial with no indications of jurisdictional rivalry or dispute. Lines to the top are direct and short, since the AD/AF reports to the ECI who reports to the President and the National Security Council.



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- 2 -

3. Importance. As I see it the main job is to provide estimates of Seviet capabilities to guide us in the delicate strategy of the cold war. The overriding objective of all our foreign policy is so to conduct ourselves that freedom can be preserved without global war. At the noment courses of action are being seriously urged upon the United States both within and outside the Covernment which are based on widely varying estimates of Soviet capabilities. At one extreme is the view seriously held in some quarters that within two or three years the USSR will be able to deliver a knockout blow against the United States so effective that it will be impossible for us to retaliate. Equally seriously held elsewhere is the view that the UNDE is now and will probably remain for some years so eccucrically reak that they will be incapable of major military action on a sustained basis. These grave differences of estimates which lend to redically different conceptions of the foreign policy required to avoid global hostilities, can be oliminated or greatly reduced by patient and thorough exprination and analysis of the mass of detailed information available to us as to the present status and prespects of the Soviet economy. This is ORR's main job. It may well be the most important research job there is in the country today.

MAX F. MILLIKEN

GER/MFSillikanibh

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